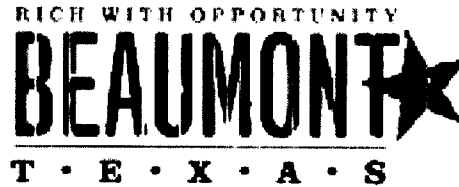


**REGULAR MEETING OF THE CITY COUNCIL
COUNCIL CHAMBERS AUGUST 5, 2014 1:30 P.M.**

CONSENT AGENDA

- * Approval of minutes – July 29, 2014
- * Confirmation of committee appointments



**REGULAR MEETING OF THE CITY COUNCIL
COUNCIL CHAMBERS AUGUST 5, 2014 1:30 P.M.**

AGENDA

CALL TO ORDER

- * Invocation Pledge Roll Call
- * Presentations and Recognition
- * Public Comment: Persons may speak on scheduled agenda item No. 1/Consent Agenda
- * Consent Agenda

GENERAL BUSINESS

1. Consider an ordinance amending the FY 2014 Budget

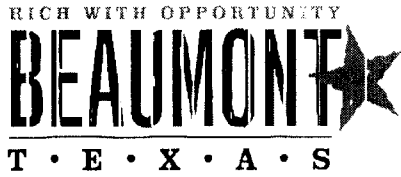
COMMENTS

- * Councilmembers/City Manager comment on various matters
- * Public Comment (Persons are limited to 3 minutes)

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact Mitchell Normand at 880-3777 three days prior to the meeting.

August 5, 2014


Consider an ordinance amending the FY 2014 Budget



City Council Agenda Item

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: Laura Clark, Chief Financial Officer 

MEETING DATE: August 5, 2014

REQUESTED ACTION: Council consider an ordinance amending the FY 2014 Budget.

BACKGROUND

In accordance with Article VI of the City Charter, the City Manager shall strictly enforce the provisions of the budget as specified in the ordinance adopting the budget. He shall not authorize or approve any expenditure unless an appropriation has been made in the budget ordinance adopting the budget, and there is an available unencumbered balance of the appropriation sufficient to pay the liability to be incurred. Approving the proposed amendments will ensure that expenditures are within the approved budget.

The details of the amendments are as follows:

The Employee Benefits Fund has experienced approximately \$1,000,000 more in claims on the City's health insurance plans than was expected in the FY 2014 Budget due to several large medical claims. As a result, additional funds are needed in order to pay for the current year expenditures and to stabilize the fund for the next fiscal year. Transfers of \$1,500,000 from the General Fund, \$395,400 from the Fleet Fund, and \$16,200 from the Hotel Occupancy Tax Fund to the Employee Benefits Fund are being proposed.

Employee Benefits Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 20,490,500	\$ 1,000,000	\$ 21,490,500
Total Revenues	\$ 20,208,700	\$ 1,911,600	\$ 22,120,300

In addition to the above mentioned transfer of \$1,500,000, a transfer of \$100,000 from the General Fund to the Henry Homberg Golf Course Fund is proposed in order to shore up the fund balance for the next fiscal year.

General Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 113,922,700	\$ 1,600,000	\$ 115,522,700

An amendment is proposed in the Henry Homberg Golf Course Fund to appropriate additional maintenance expenditures incurred while improving the golf course during this fiscal year. Although there is sufficient additional revenue to cover the additional appropriation of \$20,000, a transfer from the General Fund is proposed in FY 2014 to increase the fund balance to approximately \$187,800 in preparation of the next fiscal year.

Henry Homberg Golf Course Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 747,500	\$ 20,000	\$ 767,500
Total Revenues	\$ 576,100	\$ 100,000	\$ 676,100

The proposed amendment in the Hotel Occupancy Tax Fund includes \$16,200 being transferred to the Employee Benefits Fund as mentioned on page one and an additional \$25,000 is needed to cover additional expenditures relating to contractual obligations not anticipated at the time the FY 2014 Budget was adopted.

Hotel Occupancy Tax Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 2,513,000	\$ 41,200	\$ 2,554,200

The FY 2014 Budget estimated an ending fund balance of \$1,253,260 in the Fleet Fund. This fund is one of four Internal Service funds used by the City. Such funds are funded by charging user fees to the other funds of the City that use their services. Internal Service funds by definition have no need for excess fund balance. Thus, it is proposed that \$395,400 of excess fund balance be shifted to the Employee Benefits Fund to cover the underestimated service charges for health claims as mentioned on page one and another \$364,000 of excess fund balance to the Capital Reserve Fund for future fleet purchases.

Fleet Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 9,027,600	\$ 759,400	\$ 9,787,000

In November 2013, the City issued 2004 General Obligation Refunding Bonds. The refunding was not appropriated in the FY 2014 Budget because the timeline and amount were not known at the time the budget was prepared. As seen in the table below, revenues are less than expenditures in the original budget for FY 2014 as well as the amended budget, but there is sufficient fund balance to pay the difference.

Debt Service Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 16,814,800	\$ 5,300,000	\$ 22,114,800
Total Revenues	15,747,700	5,113,700	20,861,400

The Municipal Transit Fund is expected to exceed budgeted expenditures by \$325,000 due to an increase in labor costs such as overtime due to employee turnover and an increase in liability insurance premiums. There is sufficient fund balance to cover this appropriation.

Municipal Transit Fund	Original Budget	Proposed Amendment	Amended Budget
Total Expenditures	\$ 4,830,000	\$ 325,000	\$ 5,155,000

The Capital Reserve Fund is receiving a transfer of \$364,000 from the Fleet Fund to be used for future fleet purchases.

Capital Reserve Fund	Original Budget	Proposed Amendment	Amended Budget
Total Revenues	\$ 2,604,900	\$ 364,000	\$ 2,968,900

FUNDING SOURCE

Not applicable.

RECOMMENDATION

Approval of ordinance.

ORDINANCE NO.

ENTITLED AN ORDINANCE AMENDING THE FISCAL BUDGET OF THE CITY OF BEAUMONT FOR THE FISCAL YEAR 2014 TO APPROPRIATE ADDITIONAL EXPENDITURES AND REVENUES IN THE EMPLOYEE BENEFITS FUND, HENRY HOMBERG GOLF COURSE FUND, AND DEBT SERVICE FUND; TO APPROPRIATE ADDITIONAL EXPENDITURES IN THE GENERAL FUND, HOTEL OCCUPANCY TAX FUND, FLEET FUND, AND MUNICIPAL TRANSIT FUND; AND TO APPROPRIATE ADDITIONAL REVENUE TO THE CAPITAL RESERVE FUND; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR REPEAL.

WHEREAS, the City Charter of the City of Beaumont requires the City Manager to strictly enforce the provisions of the budget and not authorize or approve any expenditure unless an appropriation has been made in the budget ordinance adopting the budget and there is an available unencumbered balance of the appropriation sufficient to pay the liability to be incurred; and

WHEREAS, it is necessary to amend the FY 2014 budget to ensure that appropriations are sufficient to ensure that expenditures are authorized within the approved budget.

NOW, THEREFORE, BE IT ORDAINED

BY THE CITY OF BEAUMONT:

Section 1.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures and revenues in the Employee Benefits Fund as shown below:

Employee Benefits Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 20,490,500	\$ 1,000,000	\$ 21,490,500
Total Revenue	\$ 20,208,700	\$ 1,911,600	\$ 22,120,300

Section 2.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures in the General Fund as shown below:

General Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 113,922,700	\$ 1,600,000	\$ 115,522,700

Section 3.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures and revenues in the Henry Homberg Golf Course Fund as shown below:

Henry Homberg Golf Course Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 747,500	\$ 20,000	\$ 767,500
Total Revenue	\$ 576,100	\$ 100,000	\$ 676,100

Section 4.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures in the Hotel Occupancy Tax Fund as shown below:

Hotel Occupancy Tax Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 2,513,000	\$ 41,200	\$ 2,554,200

Section 5.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures in the Fleet Fund as shown below:

Fleet Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 9,027,600	\$ 759,400	\$ 9,787,000

Section 6.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures and revenues in the Debt Service Fund as shown below:

Debt Service Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 16,814,800	\$ 5,300,000	\$ 22,114,800
Total Revenue	\$ 15,747,700	\$ 5,113,700	\$ 20,861,400

Section 7.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional expenditures in the Municipal Transit Fund as shown below:

Municipal Transit Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Expenditures	\$ 4,830,000	\$ 325,000	\$ 5,155,000

Section 8.

THAT the Fiscal Budget of the City of Beaumont for the period commencing October 1, 2013 through September 30, 2014, be and the same is hereby amended to appropriate additional revenue in the Capital Reserve Fund as shown below:

Capital Reserve Fund	Original Budget	Proposed Appropriation	Amended Budget
Total Revenues	\$ 2,604,900	\$ 364,000	\$ 2,968,900

Section 9.

That if any section, subsection, sentence, clause or phrase of this ordinance or the application of same to a particular set of persons or circumstances should for any reason be held to be invalid, such invalidity shall not affect the remaining portions of this ordinance and, to such end, the various portions and provisions of this ordinance are declared to be severable.

Section 10.

That all ordinances or parts of ordinances in conflict herewith are repealed to the extent of the conflict only.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of August, 2014.

- Mayor Becky Ames -